



STATE OF CONNECTICUT  
STATE PROPERTIES REVIEW BOARD  
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**TO:** Honorable Members of the Government Administration & Elections Committee

**FROM:** Edwin S. Greenberg, Chairman  
Bennett Millstein, Vice Chairman

**DATE:** March 1, 2010

**SUBJECT:** Testimony Regarding S.B. No. 285 AAC Certain Consultant Selections by the Department of Public Works and Public Bidding for Judicial Department Public Building Contracts

The Legislature established the State Properties Review Board as a watchdog agency, with the authority to approve or disapprove Public Works contracts for the employment of consultant architects and professional engineers. While the Attorney General approves the legal sufficiency of contracts, no other independent Board or agency reviews the merits of DPW contracts with respect to cost, the equitable distribution of contracts among consultants, and compliance with State laws for procurement.

Consequently the Board opposes Senate Bill 285.

- Increasing the threshold for Board review of consultant contracts from \$100,000 to \$300,000 will substantially diminish meaningful oversight of consultant services contracts. For example, in the FY ending 06/30/2009, the Board reviewed and approved 99 design professional contracts (including commission letters, task letters and contract amendments) that had a total value of \$76.8 million. If the threshold for review had been \$300,000, the number of consultant service agreements reviewed by the Board would have decreased 35%; from a total of 99 to 64 contracts, commission letters, task letters and contract amendments. Of the 35 proposals that would not have received scrutiny, the average amount was \$167,000, with the mean being \$193,000.
- In 2007, responding affirmatively to a DPW sponsored bill, the threshold for Board review of consultant contracts was revised by the Legislature from \$50,000 to \$100,000. A further threshold increase is not supported by inflation. The Turner Building Cost Index measures non-residential building construction costs in the United States. The Cost Index is determined by several factors considered on a nationwide basis, including labor rates and productivity, material prices and the competitive condition of the marketplace. Since the first quarter of 2009, the Cost Index indicates that construction costs have decreased 12.62%.
- Concerning the fiscal impact of the proposal, in the six (6) fiscal years ending June 2009, the Board's recommendations to revise consultant contracts saved the State \$1,092,377. Therefore, given the magnitude of the decrease in contracts that will be subject to Board review, a significant decrease in direct cash savings to the State must be anticipated.

- The Board's review time for the 99 consultant contracts processed in FY2009 was an average of 12.3 days per proposal, including weekends and holidays. Public Works' average processing time for these same contracts was 263.5 calendar days. Therefore, any savings in time realized by Public Works under the proposal is negligible.

In conclusion, the proposal minimizes the influence of third party review of Public Works generated contracts. This is contrary to the Legislature and the State Properties Review Board's shared objectives to reduce costs and ensure transparency in government.